

AMENDED IN SENATE MARCH 22, 2004

**SENATE BILL**

**No. 1662**

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**Introduced by Senator Soto**

February 20, 2004

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An act to add Sections 1569.656 and 1569.657 to the Health and Safety Code, relating to residential care facilities for the elderly.

LEGISLATIVE COUNSEL'S DIGEST

SB 1662, as amended, Soto. Residential care facilities for the elderly: rates.

Existing law regulates the licensure and operation of residential care facilities for the elderly, including setting forth the basic services a facility is required to provide. Existing law requires a licensee of a residential care facility for the elderly that increases the rates of fees for residents or makes increases in any of its rate structures for services, to provide no less than 60 days' prior written notice to the resident or the resident's representative setting forth the amount of the increase, the reason for the increase, and a general description of the additional costs, except for an increase in the rate due to a change in the level of care of the resident. A violation of the provisions relating to the licensure or operation of a residential care facility for the elderly is a crime.

This bill would require rate increases assessed to a residential care facility for the elderly's ~~basic rate~~ *monthly fee, as defined*, to occur no more than once every 12 months, and would require the first rate increase to be assessed only after a resident has resided at the facility for at least 12 months. The bill would require the facility to give a 60-day written notice of the rate increase to the resident or resident's representative. These provisions would not apply to a facility resident

who receives benefits under the State Supplementary Program for Aged, Blind and Disabled.

~~This bill would also require a residential care facility for the elderly licensee to complete a formal assessment of a resident before assessing any rate increase for a change in the resident's level of care, and to document the changes in the resident's care plan that explain the need for additional services. The bill would prohibit an increase in a resident's rate due to a change in the level of care if the additional service needed is already included in the basic services the facility is required to provide to the resident under existing law.~~

*This bill would require the licensee to provide the resident, or the representative, a written notice of a rate increase that is due to a change in the level of care within 48 hours after the change in the level of care.*

*Because a violation of this bill's provisions would be a crime under existing law, this bill would impose a state-mandated local program by changing the definition of a crime.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 1569.656 is added to the Health and
- 2 Safety Code, to read:
- 3 1569.656. (a) *For the purposes of this section, "monthly fee"*
- 4 *means the flat monthly fee charged to each resident for room,*
- 5 *board, and other services.*
- 6 (b) Rate increases assessed to the ~~basic rate~~ *monthly fee* may be
- 7 assessed by a residential care facility for the elderly no more than
- 8 once every 12 months. The first rate increase may be assessed only
- 9 after a resident has resided for at least 12 months in the facility. The
- 10 licensee shall give the resident or the resident's representative, if
- 11 any, no less than 60 days' written notice of the rate increase
- 12 pursuant to subdivision (a) of Section 1569.655. The notice may
- 13 be given in the 10th month of the 12-month period.

~~(b)–~~

(c) This section shall not apply to any resident of the facility who is a recipient of benefits under the State Supplementary Program for Aged, Blind and Disabled (Article 5 (commencing with Section 12200) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code).

SEC. 2. Section 1569.657 is added to the Health and Safety Code, to read:

~~1569.657. (a) Prior to the assessment of any rate increase for a change in the level of care of a resident, the licensee shall complete a formal assessment of the resident that shall include a meeting with the resident, the resident's representative, if any, appropriate facility staff, and a representative of the resident's home health agency or other licensed medical professional familiar with the resident's care needs, if any. Following the formal assessment, the licensee shall document the changes in the resident's care plan that explain the resident's need for additional services, and shall give a notice of the change to the resident and the resident's representative, if any, within five days of the formal assessment.~~

~~(b) The licensee shall not increase a resident's rate due to a change in the level of care if the additional service needed is already included in the basic services to be provided to the resident, as defined in Section 1569.312, or other applicable regulations.~~

*1569.657. For any rate increase due to a change in the level of care of the resident, the licensee shall provide the resident and the resident's representative, if any, written notice of the rate increase within 48 hours after initially providing services at the new level of care. The notice shall include a detailed explanation of the additional services to be provided at the new level of care and an accompanying itemization of the charges.*

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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